



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-9000

GOVERNMENT NATIONAL
MORTGAGE ASSOCIATION

November 8, 2010

APM 10-19

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: Theodore W. Tozer, President

SUBJECT: Home Equity Conversion Mortgage Program – HECM Saver

The Federal Housing Administration (FHA) recently announced a second option for its Home Equity Conversion Mortgage (HECM) Program to lower upfront loan closing costs. The second option, known as “HECM Saver”, was publicized in FHA’s Mortgagee Letter 2010-34, dated September 21, 2010.

Ginnie Mae will allow Issuers to pool HECM Saver loans in all existing Ginnie Mae II HECM pool types (H RF, H RA, H RM, H AL and H ML), provided they meet the criteria for one of the FHA ADP Codes below. GinnieNET has been updated to accommodate the HECM Saver option.

HECM Saver ADP Codes		
Type of HECM loan	Fixed Rate	ARM
HECM Assignment	971	972
HECM Condominium	977	978

Ginnie Mae will begin disclosing the concentration of HECM Saver loans in pools both at issuance and on its monthly disclosure file beginning in November 2010 and forward. The data elements to be disclosed include the following: number of loans; unpaid principal balance; and percent of dollar amount of HECM Saver loans in the pool, compared to the total dollar amount of all loans in the pool.

For additional assistance, Issuers may contact their Ginnie Mae Account Executive in the Office of Mortgage-Backed Securities at (202) 708-1535.